

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE See Block #2		PAGE OF PAGES 1 of 13	
2. AMENDMENT/MODIFICATION NO. 002		3. EFFECTIVE DATE 9 JUNE 2005		4. REQUISITION/PURCHASE REQ.NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY AD/SCSD CODE DEPARTMENT OF ENERGY NNSA SERVICE CENTER - AD PO BOX 5400 ALBUQUERQUE, NM 87185-5400 GERALDINE H. DURAN 505-845-4379 gduran@doeal.gov		AD		7. ADMINISTERED BY (If other than Item 6) CODE			
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)				(X)		9A. AMENDMENT OF SOLICITATION NO. DE-RP52-04NA99344	
				X		9B. DATED (SEE ITEM 11) 18 APRIL 2005	
						10A. MODIFICATION OF CONTRACT/ORDER NO.	
						10B. DATED (SEE ITEM 13)	
CODE		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input checked="" type="checkbox"/> is extended, <input type="checkbox"/> is not extended.							
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning 1 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATION OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
(X)							
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: () THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. ITEM 10A.							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
D. OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Extend proposal due date to no later than 4:00 PM MOUNTAIN STANDARD TIME ON July 7 , 2005, revise clause H.08, and change transition period.							
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print).				16A. NAME AND TITLE OF SIGNER (Type or print) CATHY E. HARMAN			
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		16C. DATE SIGNED	
_____ (Signature of person authorized to sign)				BY _____ (Signature of Contracting Officer)			

SCHEDULE OF CHANGES

1. The purpose of this amendment is to:

- A. Extend the proposal due date from June 13, 2005 to July 7, 2005.
- B. Revise Table 3 Travel Summary, Attachment L-7 and
- C. Change transition period.

2. The changes are highlighted in **bold text** as follows:

A. PART I – THE SCHEDULE

1. SECTION B – SUPPLIES OR SERVICES AND PRICES/COST

B.02 ESTIMATED COST AND FIXED-FEE (JUN 2003)

(a) Pursuant to the FAR Clause 52.216-7, entitled "Allowable Cost and Payment," the total estimated cost of this contract is:

(1) Transition Period **(Aug 8, 2005 through August 31, 2005)** Estimated Cost: \$_____. The transition period will be on a cost-reimbursement basis with no fee paid.

(2) Basic Performance Period **(September 1, 2005 through Aug 7, 2008)** Estimated Cost: \$_____.

(b) The fixed fee for this contract, as contemplated by FAR Clause 52.216-8, entitled "Fixed Fee," is \$_____. The fixed fee shall be paid pursuant to the terms of this clause.

(c) The total estimated cost plus fixed fee amount of this contract is \$_____.

(d) Pursuant to the FAR Clause 52.232-22, entitled "Limitation of Funds," the total amount of incremental funding allotted to this contract is \$__(to be filled in at award)__. It is estimated that this amount is sufficient to cover performance through __(to be filled in at award)__.

B.03 OPTION(S) TO EXTEND THE TERM OF THE CONTRACT (JUN 2003)

The Contractor agrees that performance during any option period shall be accomplished within that option period's total estimated cost and fee as set forth below:

FIRST OPTION PERIOD

Option Term: 12 Months **(Aug 8, 2008 to Aug 7, 2009)**

Estimated Cost: \$_____

Fixed Fee: \$_____

Total Estimated Cost Plus Fixed Fee: \$_____

SECOND OPTION PERIOD

Option Term: 12 Months **(Aug 8, 2009 to Aug 7, 2010)**

Estimated Cost: \$_____

Fixed Fee: \$_____

Total Estimated Cost Plus Fixed Fee: \$_____

2. SECTION F – DELIVERIES OR PERFORMANCE

F.02 PERIOD OF PERFORMANCE (JUL 2004)

The term of this Contract shall be for the period from the date of award through **Aug 7, 2008**, exclusive of Options, unless sooner reduced, terminated or extended in accordance with the provisions of this Contract. The period from **Aug 8, 2005 through August 31, 2005** shall be for the Transition Activities identified in Part III, Section J, Attachment J-7, entitled, "Contractor's Transition Plan." The Contractor's responsibility for full performance of the Nevada Site Office Security System Services shall start on **September 1, 2005**.

3. SECTION H – SPECIAL CONTRACT REQUIREMENTS

H.08 OBSERVANCE OF NATIONAL HOLIDAYS/ADMINISTRATIVE TIME-OFF (JUN 2005)

(1) The Government observes the following days as national holidays:

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
President's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Additionally, the Government will observe any other day designated by Federal statute, Executive Order, or Presidential proclamation.

(2) The Contractor shall not exceed the total number of holidays identified in paragraph (a) above. Contractor personnel shall comply with their own company's personnel policy and procedures regarding the administration of holidays. The costs associated with the observance of such holidays shall be consistent with established company's cost accounting standards and practices; other terms and conditions of the contract; and those limitations set forth in Federal Acquisition Regulation Part 31.

(3) Any administrative time-off granted as a result of early holiday release; release or delay due to inclement weather; or any other administrative release is at the discretion of the Contractor. However when granting any administrative time-off, the Contractor shall continue to provide sufficient personnel to perform critical or essential tasks under this contract. Costs for administrative time-off granted by the Contractor to its employees shall not be directly charged to the contract, nor shall the work be performed subsequently at premium or overtime pay. Additionally, the Government will not reimburse the Contractor for hours not worked by its employees.

B. PART IV – REPRESENTATIONS AND INSTRUCTIONS

1. SECTION L – INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.14 INSTRUCTIONS FOR PROPOSAL PREPARATION (FEB 2005)

(a) Supplemental Solicitation Definitions

IIPS is the acronym for the "Industry Interactive Procurement System" and means the hardware, firmware and software platform, including the associated databases, by which the National Nuclear Security Administration conducts electronic business. The IIPS website can be accessed through the Department of Energy's e-Center website at <<http://e-center.doe.gov/>>

The term "Offeror" as used in this Section L refers to the single legal entity submitting the offer. The entity may be pre-existing or newly formed for the purpose of competing for the Contract.

"Proposal" means the electronic proposal submitted via IIPS.

"Electronic signature" or "signature" means a method of signing an electronic message that-

- (i) Identifies and authenticates a particular person as the source of the electronic message; and

- (ii) Indicates such person's approval of the information contained in the electronic message.
- (b) Intention to Propose. To enable the NNSA Service Center to anticipate the number of proposals to be evaluated, Offerors are requested to complete the Section L-1 Attachment, "Intention to Propose Notification" and fax it to the NNSA Service Center (Fax No. 505-284-7122) by the earliest practical date prior to submission of the proposal.
- (c) Proposal Due Date. **SUBMISSION OF PROPOSALS BY MEANS OTHER THAN IIPS IS NOT AUTHORIZED.** Proposals must be received through the IIPS website **NO LATER THAN 4:00 PM MOUNTAIN STANDARD TIME ON JULY 7, 2005**. See FAR 52.215-1 which describes the treatment of late submission, modification, revision, and withdrawal of proposals. It is the responsibility of the Offeror, prior to the proposal due date and time, to verify successful transmission in accordance with the Proposal Response (Submission) instructions in the "IIPS User Guide For Contractors" found at <http://e-center.doe.gov/doesbiz.nsf/Help?OpenForm>. Subcontractor submissions of proprietary information may (i) register in IIPS and submit their information separately, identifying in the subject line, the solicitation number and to whom they are a subcontractor; or (ii) provide a password protected document (file) to the prime and share the password with the Procuring Contracting Officer. Regardless of the option chosen, the subcontractor proposal must adhere to the proposal due date/time stated in the solicitation.
- (d) General Instructions. The Government will consider how well the Offeror complies with all solicitation instructions. To aid in the evaluation, proposals must be clearly and concisely written as well as being neat, indexed (cross-indexed as appropriate), and logically assembled. All pages of each volume shall be appropriately numbered, and identified with the name of the Offeror, the date, and the solicitation number. Proposal files are to be formatted in the following applications only: Adobe Acrobat 4.0 (PDF) or higher, Word 97 or higher, Excel 97 or higher, or PowerPoint 97 or higher, unless otherwise specified in this RFP.
- (e) The instructions set forth in Section L are designed to provide guidance to the Offeror concerning the documentation that will be evaluated by the SEB. The Offeror must furnish adequate and specific information in its response. Cursory responses or responses which merely repeat or reformulate the Statement of Work cannot be considered responsive to the requirements of the RFP.
- (f) Award Without Discussions. Offerors should submit their best proposal initially as the Government intends to make award without discussions (except clarifications as described in FAR 15.306(a)). The Government reserves the right to conduct discussions should the Procuring Contracting Officer later determine them to be necessary.
- (g) Solicitation Questions/Comments. Questions or comments regarding this solicitation shall be submitted using the IIPS Website only. Submission of Solicitation Questions/Comments by other means is not authorized.
- (h) Proposal Format. This solicitation requires Offerors to submit three volumes individually according to the instructions detailed in this RFP and the "IIPS User Guide For Contractors" at <http://e-center.doe.gov/doesbiz.nsf/Help?OpenForm>. Subcontractor submissions of proprietary information may (i) register in IIPS and submit their information separately, identifying in the subject line, the solicitation number and to whom they are a subcontractor; or (ii) provide a password protected document (file) to the prime and share the password with the Procuring Contracting Officer. Regardless of the option chosen, the subcontractor proposal must adhere to the proposal due date/time stated in the solicitation.
- Submission of electronic proposals via IIPS will constitute submission of signed copies of the required documents. The name of the authorized company official shall be entered (typed) in the appropriate space shown on the form(s) (e.g., Standard Form 26 or 33). Offerors are advised that the submission of your proposal in an electronic format via IIPS is required. The IIPS submission will be the official copy of the proposal. In addition to the IIPS submission, one complete copy of the entire proposal and an electronic CD copy must be sent to the address in Block 7 of the SF 33 to Attn: Cathy Harman and must be postmarked no later than the proposal due date in paragraph (c) above.
- (i) Reference(s) to another part, or section, of the proposal may be appropriate in order to avoid duplication of detailed information. Information required for proposal evaluation, which is not found in its designated section, may result in an unfavorable evaluation. With the exception of pricing information requested in the Part I, Section B, Supplies or Services and Prices/Costs, all contractual cost and pricing information shall be addressed ONLY in the

Cost Volume, unless otherwise specified.

(1) Standard Form 33. The Offeror shall submit a fully completed and executed Standard Form (SF) 33. Section A of this solicitation contains a Standard Form 33 for the contract to be awarded under this solicitation. Offerors must submit SF 33 documents which are fully compliant with the requirements of this solicitation provision.

(i) The person signing the SF 33s must have the authority to commit the Offeror to all of the provisions of the resulting contract (See Section L provision entitled "Content of Resulting Contract"), fully recognizing that the Government intends to make an award without discussions. Whenever the words "Solicitation No. DE-RP52-05NA99344", "Request For Proposal No. DE-RP52-05NA99344" or "RFP No. DE-RP52-05NA99344" appear in the resulting contract of this solicitation, they shall be deemed to read "Contract No. DE-AC52-05NA99344" in the signed contract.

(ii) In Block 14 of all SF 33s, the Offeror must acknowledge receipt of all amendments to this solicitation as required by the Section L provision FAR 52.215-1 "Instructions to Offerors - Competitive Acquisition."

(iii) By signing and submitting the SF 33, the Offeror commits to accept the resulting contract (See Section L provision entitled "Content of Resulting Contract") as written and to comply with the other provisions of the solicitation. Any exceptions or deviations by the Offeror to the terms and conditions stated in this solicitation for inclusion in the resulting contract will make the offer unacceptable for award without discussions.

(2) Section K. The Offeror shall submit fully completed Section K, Representations, Certifications, and Other Statements of Offerors. The parent company of each member of a teaming arrangement, if proposed, must separately complete, sign, and submit the Section K, Representations, Certifications, and Other Statements of Offerors.

(3) Glossaries. Each volume shall contain a glossary of all abbreviations and acronyms used, including a definition for each.

(4) Page Description.

(i) Page size shall be 8.5 x 11 inches for text pages and a maximum of 11x17 inches for spreadsheet, charts, tables, diagrams or design drawings. Page margins shall be a minimum of one inch at the top, bottom and each side. Pages shall be numbered sequentially by volume and by section within the volumes. The solicitation number, page number and the legend at FAR 52.215-1(e), "Restriction on Disclosure and Use of Data," as appropriate, shall be provided on each page. A font size smaller than that which is described in paragraph (ii) below can be used for this information; however, other text reductions are unacceptable.

(ii) With the exception of headers and footers, spreadsheet, charts, tables, diagrams or design drawings, the text shall be 12 point (or larger), single-spaced, using a Courier, Times New Roman, Geneva, Arial or Universal font type. Single or double spacing is acceptable for those pages identified under the "Page Count Exceptions." Two columns of text per page and use of boldface type for paragraph headings are acceptable.

(iii) Foldouts of charts, tables, diagrams, or drawings shall not exceed 11 x 17 inches. Offerors should develop these materials in a manner which is legible. Foldout pages shall fold entirely within the volume and each side (front or back) of a foldout is considered two pages for purposes of determining the number of pages. When both sides (front and back) of a foldout display contain printed material, they will be counted as four pages. Page margins for the foldouts shall be a minimum of one inch at the top, bottom, and each side. Foldouts may only be used for large tables, charts, graphs, diagrams, and other schematics, and not for pages of text.

(5) Page Limitations. Proposals will only be read and evaluated up to the page limitations, if any. Page counting will begin with the first page of each volume of the proposal. Each page will be counted except for those exclusions in the "Page Count Exceptions" paragraph below. This includes attachments, appendices, and annexes. No material may be incorporated by reference as a means to circumvent the page limitation.

SCHEDULE OF CHANGES

- (i) Volume Limitations. Page limitations per volume are as follows:

<u>Volume</u>	<u>Title</u>	<u>Page Limit</u>
I	Offer and Other Documents	None
II	Technical Proposal	60 pages
III	Cost Proposal	None

(ii) Page Count Exceptions. The Transmittal Letter shall be limited to one (1) page and is not considered as part of Volumes I, II or III. Volume II associated Table of Contents, list of Figures/Glossary of Acronyms, Title Pages, dividers, tabs, or similar inserts that do not provide any substantive information are not counted as a page and are excluded from the page count limitation. The completed Section K, Representations and Certifications, Key Personnel Resumes, and Past Performance information are also excluded from any page count.

(6) Table of Contents. The Offeror shall incorporate a table of contents into each proposal volume, which identifies the section, sub-section, paragraph titles, and page numbers. Also include a list of all tables and figures.

(j) Classified Information. The Offeror shall not provide classified information in response to this solicitation.

(k) Point of Contact. The Procuring Contracting Officer PCO and the Contract Specialist are the sole points of contact during the conduct of this procurement.

(l) Errors or Omissions. The solicitation is considered complete and accurate in every detail and adequately describes the Government's requirements. If you feel any part of the solicitation contains an error or omission, contact the CO to obtain clarification. To preclude unnecessary work and to assure yourself of submitting a complete proposal, you are cautioned to resolve all questionable areas with the Procuring Contracting Officer.

(m) Changes to the Solicitation. No changes to this solicitation will be effective unless they are incorporated into the solicitation by Amendment.

(n) Subcontractor Proposals. Subcontractor submissions of proprietary information may be delivered separately in accordance with the instructions of this clause. The subcontractor proposal must adhere to the proposal due date/time stated in the solicitation.

(o) Information Provided. The Government will evaluate on the basis of information provided in the proposal. The Government will not assume that an Offeror possesses any capability unless such a capability is established in the proposal.

(p) Alternate Proposals. Alternate proposals will not be accepted.

(q) Teaming Arrangements. If a teaming arrangement, as defined in FAR 9.601, is proposed, Offerors shall provide full and complete information on each of the participating firms, including subcontractors, with particular emphasis placed on the ability of each member of the Offeror's team to satisfy the evaluation criteria. Discuss each team member's role and responsibilities in this effort.

(r) Pre-Proposal Conference/Site Visit

A pre-proposal conference was held on January 19, 2005, and a sitevisit/tour was conducted on January 20, 2005. Questions and answers from these events have been posted to the IIPS website.

(s) Questions or Comments

Written questions or comments pertaining to this solicitation shall be submitted through the DOE e-Center IIPS web site seven (7) calendar days prior to the proposal due date. Each question should clearly specify the RFP area(s) (Attachment, page, etc.) to which it refers. When possible, questions should be phrased to permit "Yes" or "No" responses.

(t) Reading Room(s). None.

(u) Internet Sites. The Internet sites referenced throughout the solicitation can be found at the locations listed below:

- Federal Business Opportunities (FedBizOpps): <http://www.fedbizopps.gov/>
- DOE e-Center--Doing Business with DOE: <http://e-center.doe.gov>
- Federal Acquisition Regulation (FAR) clauses and provisions and Federal Acquisition Circulars (FACs), which contain the most recent changes to the FAR: <http://www.arnet.gov/far/>
- Department of Energy Acquisition Regulation (DEAR) Clauses and Provisions:
<http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/WebPages/Department+of+Energy+Acquisition+Regulation?OpenDocument>
- DOE and NNSA Orders: <http://www.directives.doe.gov/>
- NNSA Policy Letters: <http://www.nnsa.doe.gov/>
- Interactive Industry Procurement System (IIPS) Users Guide for Contractors:
<http://doe-iips.pr.doe.gov/doebiz.nsf/Help?OpenPage>

(v) Government Furnished Property. The Government plans to provide the property listed in Part III, Section J, Attachment J-5 of this solicitation. Also see Section H.04.

(w) NAICS Code. The North American Industry Classification System code for this acquisition is 561210, Facility Support Services. This solicitation is a small business set-aside.

L.17 PROPOSAL PREPARATION INSTRUCTIONS: VOLUME III - COST PROPOSAL (AUG 2004)

(a) Overview.

(1) The Procuring Contracting Officer has determined that certified cost or pricing data is not required for this solicitation. However, in accordance with FAR 15.403-3 and 15.403-5), information other than cost or pricing data is required to determine if your proposed costs are reasonable, realistic, and reflect a clear understanding of the solicitation requirements and statement of work.

(2) If, after receipt of proposals, the Procuring Contracting Officer determines that there is insufficient information available to determine cost/price reasonableness and none of the exceptions in FAR 15.403-1 apply, the Offeror may be required to submit cost or pricing data.

(3) These instructions are to assist you in preparing your proposal and submitting information other than cost or pricing data. Your cost proposal must be prepared in a manner that is current, accurate, and complete. Compliance with these instructions is mandatory and failure to comply may result in rejection of your proposal.

(b) Cost Proposal - General Requirements.

(1) Submission Format. In accordance with FAR 15.403-5(b)(2), Offerors may select their own presentation format, however, the Offeror's proposal must adequately address each proposed cost element and the level of cost detail required per these instructions. In addition, a separate Table 1 (Attachment L-5) must be completed by the prime and all subcontractors, one each for the transition period, the basic period, and each option period. Table 1 must be completed in Microsoft EXCEL 97 or higher, include all formulas, and be proposed by contractor fiscal year. Tables 2 and 3 (Attachment L-6 and L-7) must be completed by the prime and each subcontractor, as appropriate.

(2) Cost and Pricing Information. All required cost information must be in the cost proposal. Do not include cost information in any other proposal volume unless specifically requested in the solicitation. The cost proposal must be sufficiently complete so that cross-referencing to other volumes is not necessary.

(3) Submission in Electronic Format. The Offeror's cost proposal and all required cost information, including subcontractor cost proposals, must be submitted electronically using the Industry Interactive Procurement System

(IIPS). Refer to Section L.14 for general information on how to access IIPS and submission of proposals.

(4) Proposal Accuracy. The cost proposal must be mathematically correct and structured in a logical manner. Row and column totals for all schedules and exhibits must accurately foot and cross-foot. Cost totals on supporting schedules and exhibits must track and agree with summary cost totals and the amount(s) shown on the proposed cover sheet.

(5) Rounding. Unless specified otherwise, round all final monetary extensions to the nearest whole dollar. Round all labor rates to the nearest penny.

(6) Page Numbering and Limitations. All pages, including forms, must be sequentially page numbered and all forms, tables, schedules, exhibits, and appendices must be properly labeled and identified in the table of contents or index.

(7) Consistency with FAR and Solicitation Requirements. On the first page of the cost proposal, state whether or not the cost proposal has been prepared in accordance with applicable FAR regulations and the requirements of this solicitation. List each exception, if any, and provide complete rationale.

(8) Narrative Support. The Offeror, each team member, and subcontractor(s) shall provide narrative support sufficient to explain the development of the proposed costs. In accordance with the solicitation requirements, the narrative should describe the Offeror's supporting rationale, the estimating methodologies used, and the basis of the data provided in support of the proposed costs.

(9) Actual vs. Estimated Data. The Offeror's submission must distinguish between actual cost data and estimated cost data. For actual cost data, identify the source of the data (e.g. general ledger, job cost ledger, paid invoice, etc.) and the period in which the actual data is based (cut-off or closing dates). For estimated data, clearly identify and explain the basis of estimate as instructed by this solicitation.

(10) Cost/Price Reasonableness and Realism. Note that unrealistically low or high proposed costs or prices may be grounds for eliminating a proposal from consideration either on the basis that the Offeror does not understand the requirements or has made an unrealistic offer. Offers should be sufficiently detailed to demonstrate their reasonableness. If estimated costs to perform the proposed effort have been decreased due to a management decision, provide complete rationale for the reduction. The burden of proof for credibility of proposed cost/price rests with the Offeror.

(11) Uniform Terminology and Definition of Terms. Provide a descriptive list of all acronyms, non-standard terms, and abbreviations used in your cost proposal.

(12) Joint Ventures and Teaming Arrangements. If a joint venture or teaming arrangement is proposed, the Offeror must provide a summary of the total joint venture and clearly identify by cost element the portion of the cost proposal that pertains to each participant. In addition, each participant must provide separate proposal cover sheets, exhibits, summary schedules and supporting cost information in the same level of detail as required of Offerors under these cost instructions.

(13) Subcontract Proposal Submission. Provide a copy of these instructions to all potential subcontractors and team members. Subcontractor proposals must be received by the same date/time as the prime cost proposal or the prime Contractor's offer may be eliminated from further consideration. Unless the Procuring Contracting Officer specifies otherwise, each lower-tiered subcontractor and team member shall also provide to the Government a proposal cover sheet and all other cost information as required by these cost instructions in the same format and level of detail as required for the prime Contractor.

(14) Examination. By submitting your proposal, you grant the Procuring Contracting Officer or an authorized representative the right to examine, for the purposes of verifying the data submitted, those books, records, documents, and other supporting data (regardless of form), which will permit an adequate evaluation of the proposed costs. This right may be exercised in connection with any such reviews deemed necessary by the Government prior to contract award.

(c) Specific Cost Requirements - Format and Content

(1) Table of Contents. Preface the cost proposal with a Table of Contents page. Include an index referencing the page location of exhibits, attachments, narratives and all cost information accompanying or identified in the proposal.

(2) Proposal Cover Sheet. Complete, as the first page of the cost proposal, a proposal cover sheet that includes the following information:

- (i) Company name, division, address, telephone number, and e-mail address.
- (ii) The names, telephone numbers, and e-mail addresses of a primary point of contact and designated alternate.
- (iii) The Government solicitation number, the proposal number, and date.
- (iv) Your DUNS number.
- (v) Proposed total estimated cost, fixed fee amount, and total contract price (see Section B) and contract period of performance.
- (vi) A brief description of the product(s) and/or service(s) being provided.
- (vii) Name, title and signature of person authorized to commit the firm.
- (viii) The place(s) of performance.
- (ix) Name, address, and phone number of the Government audit office and contract administrative office for the Offeror and any proposed subcontract.
- (x) A statement that the offer is valid for the period of time specified in Section A, Block 12 of this solicitation, beginning after the date on which it is due at the NNSA. All subcontract proposals must be valid for the same period.
- (xi) A statement that the cost proposal has been prepared in accordance with applicable FAR regulations, your established estimating and accounting policies, and the requirements of this solicitation. List each exception, if any, and provide complete rationale.
- (xii) A statement granting the Procuring Contracting Officer the right to examine your books and records.

(3) ntract Period of Performance. The contract period of performance is five years. For pricing purposes, assume the following:

Transition Period	Aug 8-August 31, 2005
Basic Contract Period of Performance	September 1, 2005-Aug 7, 2008
Option Year 1	Aug 8, 2008-Aug 7, 2009
Option Year 2	Aug 8, 2009-Aug 7, 2010

A contract year (CY) is defined as a twelve-month period beginning each **Aug 8th**.

(4) st Element Summary. Provide a summary schedule showing each major cost element (i.e., direct labor hours, direct labor costs, overhead, subcontracts, ODC, G&A, fee,) time-phased by contract year. If your fiscal year does not coincide with the contract year, provide calculations and explain how fiscal year cost elements are converted in order to arrive at the proposed costs by contract year. If composite labor or indirect rates are used, demonstrate how the composite rates are calculated. Each proposed cost element shall be further supported by an

exhibit or schedule that includes cost information as specified in the following instructions.

(5) Direct Labor Hours. Describe how the quantity and mix of labor hours were estimated. If historical information was considered, show how current estimates were projected from such data. If full-time equivalent (FTE) hours are used as a basis for your labor hour requirements, show how the direct productive labor hour estimates were calculated. The calculation must also show estimated labor hours for each type of nonproductive work such as paid absences, training, and other types of non-direct charged activities. If applicable, separately identify subcontract labor hours and labor hours proposed by other team members.

(6) Direct Labor Rates. Support your proposed direct labor rate estimates by providing a schedule of unburdened labor rates for each category of labor proposed by contract year. Identify the base labor rates, their effective dates, and clearly demonstrate how base labor rates are adjusted to arrive at the proposed rates.

(i) If labor rates are based on average labor category rates, describe the labor mix and explain how average category labor rates are determined for estimating purposes. If labor rates are based on specific individual labor rates or key personnel, provide the employee's name, job title, employee identification number, and current hourly rate as of the date of proposal preparation.

(ii) If proposed labor rates are based on a Forward Pricing Rate Agreement (FPRA) or interim billing/bidding rates, provide a copy of the agreement, showing the approved rates, effective dates, and explain any deviations from the approved labor rates.

(iii) If labor rates are based on U.S. Department of Labor wage determinations, identify the applicable wage determination and state the extent to which they are used to develop the proposed labor rates.

(iv) For any proposed salary or wage based on a compensation survey, provide the name of the survey, date, pay ranges, and explain how you used the data in establishing your proposed pay rates.

(v) Separately identify and explain the basis for any labor escalation factors used to adjust base salaries for anticipated increases (actual experience, company policy, or other compensation forecasting models) and how such escalation is applied to the base labor rates. Identify any other contingencies included in any of the proposed labor rates.

(vi) Note that overtime is permitted only when specifically authorized by the Contracting Officer.

(vii) Overtime. FAR 2.101 and 22.103 define overtime as the time worked by a Contractor's employee in excess of the employee's normal workweek (generally 40 hours). Overtime premium is the difference between the Contractor's regular rate of pay to an employee for the shift involved and the higher rate paid for overtime. It does not include shift premium. Any overtime hours proposed must be separately identified and the method of calculating overtimes provided. The rationale or need for overtime must be fully explained. Estimated cost associated with overtime shall be approved in advance by the Contracting Officer.

(viii) Shift Premium. FAR 2.101(see definition for "Overtime Premium") defines shift premium as the difference between the Contractor's regular rate of pay to an employee and the higher rate paid for extra-pay-shift work. Any shift premiums proposed must be separately identified and the method of calculating the premium rates provided. The rationale or need for extra-pay-shift work must be fully explained. Estimated cost associated with shift premium shall be approved in advance by the Contracting Officer.

(7) Indirect Pool and Base Expenses. Provide an exhibit showing your proposed indirect rates for each contract year for labor fringe, overhead, G&A, and any other applicable indirect rate used in accordance with your established accounting practices.

(i) Explain the basis of estimate for each indirect rate proposed and the methods used to derive and forecast the rates. Identify the cost elements included in each pool and base component and describe your estimating methodology. Include appropriate schedules showing the prior year's actual expenses and budgetary forecasts covering each year of the contract period of performance. Identify any contingencies included in any of the proposed

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indirect rates.

(ii) If indirect rates are based on a Forward Pricing Rate Agreement (FPRA) or interim billing/bidding rates, provide a copy of the agreement showing the approved rates, effective dates, and explain any deviations from the approved indirect rates.

(8) Government-Furnished Items and Purchases. A summary of Government-furnished property is included in Section J, Attachment J-4. A full list will be provided during the Transition Period. Based on internal cost allocations and chargeback procedures at the NSO, the awarded contract will be billed for government-furnished property. Therefore, offerors are instructed to propose the annual baseline amounts shown in the table below to cover the estimated cost of Government-furnished facilities, equipment, supplies, services, and projected purchases. These items will be furnished by the Government but billed to the contract as the costs of these items and services are incurred (see Section H.04). **THESE COSTS ARE NON-FEE BEARING.** Do not include these estimates in your calculation of proposed fee.

Cost Element	Transition Period CY 01	Base Period CY 01	Base Period CY 02	Base Period CY 03	Option Year 1 CY 04	Option Year 2 CY 05	Total
Labor							
Baseline Gov't Furnished Items & Purch		\$1,000,000	\$1,040,000	\$1,081,600	\$1,124,864	\$1,169,859	\$5,416,323
Fringe							
Overhead							
Subcontracts							
Other Direct Costs							
G&A							
Total Cost							
Fixed Fee							
Total Price							

(9) Facilities Capital Cost of Money. Facilities Capital Cost of Money (FCCM) is permitted if proposed in accordance with FAR 31.205-10 and calculated using Form CASB-CMF. The completed form must be included as an attachment to your cost proposal. The Form CASB-CMF can be found at 48 CFR 9904.414. If you elect not to include FCCM, provide a statement to that effect. Provide an exhibit showing each proposed FCCM rate (applicable to overhead, G&A, etc.) for each contract year. Identify the application base for each FCCM rate and show calculations to support the proposed amounts.

(10) Subcontracts. Provide a schedule that identifies the cost of each proposed subcontract, including costs proposed by members under a teaming arrangement, by contract year. Each subcontractor/team member shall provide to the Government a proposal cover sheet and cost information as required by these cost instructions in the same format and level of detail as required by the prime. It is the Offeror's responsibility to conduct appropriate subcontract cost or price analysis to establish the reasonableness of proposed subcontract prices. Failure to conduct adequate subcontract cost or price analysis prior to proposal submission may result in unnecessary delays or elimination of the proposal from further consideration. In accordance with FAR 15.404-3(b), include in your proposal the results of your analyses of subcontractor cost/price information. Describe the pricing methods used to establish proposed subcontract costs and indicate the level of competition used (i.e. competitive, sole-source, etc.). For subcontracts priced on a noncompetitive basis, explain the basis for establishing the source and reasonableness of price.

(11) Transition Plan - The transition period (**Aug 8, 2005** through August 31, 2005) will be included as the first Contract Line Item in Section B of the Contract and priced on a cost-reimbursement basis. The Offeror shall provide a transition cost estimate that addresses the following elements:

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(i) A cost breakdown that is of sufficient detail to allow for evaluation of the reasonableness and cost realism of the proposed effort. The information submitted may be in the Offeror's preferred format but shall address the total cost of the transition period by major transition activity. Proposed costs shall be broken down by the following major cost elements: direct labor (including number of personnel and dollars), fringe benefits, indirect cost allocations (by pool type and rate), relocation, travel, facilities, materials, supplies, subcontracts, and all other cost elements related to the period of transition.

(12) Fee. Show proposed fee as a separate cost element in the cost summary schedule (reference Section B). Although not required, Offerors are encouraged to provide rationale for their proposed fee. Offerors shall provide proposed fee amounts and percentages. The Offeror shall identify the following:

- (i) Proposed fee amounts.
- (ii) Proposed fee percentages.
- (iii) Base to which the fee is applied.

(13) Accounting System. The proposal pricing requirements as set forth in this solicitation is for evaluation purposes. The pricing of any contract resulting from this solicitation will be based on the successful Offeror's established accounting and estimating systems. Therefore, it is important that you identify and reconcile any deviations from your standard accounting and estimating procedures in preparing this proposal. State whether your accounting system has been reviewed and approved by a Government agency. Provide evidence of such approval by identifying the approving agency and official, and the date of approval. Provide a general description and information about your accounting system. State whether your accounting system is in accordance with generally accepted accounting principles (GAAP) and is acceptable for Government contract costing purposes. Disclose and fully explain any outstanding accounting system deficiencies cited by the Government or independent auditors. If applicable, describe the nature of the deficiency and status of corrective actions.

(14) Company Compensation Policies. Explain how your company's wage, salary, fringe benefits, and compensation package will ensure the recruitment and retention of qualified personnel for this contract. Supporting information will include data, such as recognized national and regional compensation surveys and studies of professional, public and private organizations, used in establishing the total compensation structure. Describe your company's compensation policies relating to the following areas:

- (i) Salaries and wages.
- (ii) Merit, cost-of-living, and other general salary adjustments.
- (iii) Compensated absences, insurance, health, retirement, and other contributions.
- (iv) Recruitment programs, bonuses and other employee incentive programs.
- (v) Uncompensated overtime (refer to Section L for details).

- (1) Severance.
- (2) Travel and per diem.
- (3) Relocation.

(15) Other Financial Information. Provide the following financial information as an attachment to your cost proposal:

(i) Most recent audited annual financial statements (balance sheet, income statement, and statement of cash flow). If audited financial statements were not prepared during the prior fiscal year, provide comparable financial information such as a compilation or other review performed by an independent auditor.

(ii) Balance sheet and income statement for all quarters reported in the current fiscal year.

(iii) Describe the financial impact of this project on your organization. Identify and any contingency, limitation, or condition affecting availability of funds for this project. State what percentage proposed contract costs represent of your estimated total business during the period of performance.

L.24 LIST OF SECTION L ATTACHMENTS (AUG 2004)

<u>Attachment No.</u>	<u>Description</u>	<u>Pages</u>
L-1	Intention to Propose Notification	1
L-2	Resume Format	1
L-3	Reference Information Form	2
L-4	Past Performance Questionnaire	4
L-5	Table 1 Cost Spreadsheet Format	1
L-6	Table 2 Subcontract/Interorganizational Transfer Price Summary Form	1
L-7	Table 3 Travel Summary Spreadsheet Format	3

3. All other terms and conditions of the solicitation remain the same.